

**Audit Report
Executive and Administrative
Services Included in CAL FIRE
Indirect Cost Rate
PCA 99200**



**Prepared by:
CAL FIRE Office of Program Accountability
January 4, 2010**

In May 2009, Management Services Deputy Director Janet Barentson requested the Office of Program Accountability (OPA) to conduct a review of charges coded to Program Cost Account (PCA) 99200.

According to Section 8752 of the State Administrative Manual (SAM), it is state policy for departments to recover full costs whenever goods or services are provided for others. This policy, which applies to all departments regardless of funding sources, is to be followed in all cases except where statutes prohibit full cost recovery. The full cost of goods or services includes all costs attributable directly to the activity plus a fair share of indirect costs which can be ascribed reasonably to the good or service provided.

CAL FIRE complies with these requirements by applying an Administrative Rate to all agreements where CAL FIRE provides goods or services to other entities. The Administrative Rate is comprised of two components: CAL FIRE indirect costs, and the Statewide Pro Rata or Statewide Cost Allocation Plan charges.

CAL FIRE Accounting Procedures Handbook section 3762.6 provides PCA code descriptions. In particular, CAL FIRE uses PCA 99200, Executive and Administrative Services, to track indirect costs.

The purpose of this review was to evaluate the appropriateness of the organizational units and staffing posted to this PCA.

While the organizational units and most positions in PCA 99200 appear to be appropriate to be included in the Department's indirect cost calculation, there are some exceptions that should be corrected, and the criteria for including a position in the indirect cost calculation should be firmly established and documented.

We thank the Budget Office and both the Northern and Southern Regions for their assistance with this review. The information received from all of the individuals involved helped us to identify needed process improvements in the use of this fund.

This report presents the results of our review.

STAFF:

Anthony Favro, Chief, Program Accountability
George Alves, Auditor

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Auditor's Report

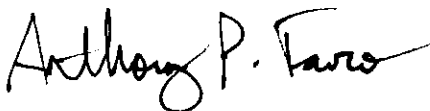
Del Walters, Director
Department of Forestry and Fire Protection
1416 Ninth Street, Suite 1505
Sacramento, California 95814

The Office of Program Accountability (OPA) has completed its review of charges coded to Program Cost Account (PCA) 99200. Our review was conducted in accordance with the *International Professional Practices Framework (IPPF)* published by The Institute of Internal Auditors. The review included the audit tests we considered necessary to determine that administrative controls are in place and operative.

CAL FIRE management is responsible for establishing and maintaining adequate internal control. This responsibility, in accordance with Government Code, Sections 13404 et seq., includes documenting internal control, communicating requirements to employees, and assuring that internal control is functioning as prescribed. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures.

Our review resulted in eight findings. In general, we found that the organizational units and most positions in PCA 99200 are appropriate to be included in the Department's indirect cost calculation. However, there are some exceptions that should be corrected, and the criteria for including a position in the indirect cost calculation should be firmly established and documented.

Enclosed is the Final Report for this review, including program responses. This report is intended for the information and use of CAL FIRE management, and is not intended to be used by anyone other than the designated parties.



Anthony P. Favro, Chief
Office of Program Accountability

January 4, 2010

Background

According to Section 8752 of the *State Administrative Manual* (SAM), it is state policy for departments to recover full costs whenever goods or services are provided for others. This policy, which applies to all departments regardless of funding sources, is to be followed in all cases except where statutes prohibit full cost recovery. The full cost of goods or services includes all costs attributable directly to the activity plus a fair share of indirect costs which can be ascribed reasonably to the good or service provided.

CAL FIRE complies with these requirements by applying an Administrative Rate to all agreements where CAL FIRE provides goods or services to other entities. The Administrative Rate is comprised of two components: CAL FIRE indirect costs, and the Statewide Pro Rata or Statewide Cost Allocation Plan charges.

SAM Section 8752.1 states that department indirect (overhead) costs are those support costs which benefit more than one cost objective/organizational unit. These costs are accumulated and allocated periodically to the cost objective/organizational units which benefit from the support activity/function. Departmental indirect costs include:

- a. Personal services costs of unit, bureau, division, and department administrative, supervisory, and executive staff.
- b. Personal services costs of support units, including clerical support, housekeeping, etc.
- c. Operating expenses and equipment costs not included as part of department direct costs.

SAM Section 8756 further states that indirect costs are generally assigned to a program or organizational unit by an indirect cost rate or by some other cost application technique. Indirect cost rates are usually expressed as percentages. These percentages express the relationship of the sum of departmental indirect costs to a direct cost base. Commonly used direct cost bases include direct salaries and wages costs, direct personal services cost, or total direct costs. The aggregation of all costs (direct, indirect, and central service), the analysis of cost relationships, and, finally, the computation of rate(s) are the basic steps involved in developing an Indirect Cost Rate Proposal (ICRP).

SAM Section 8756.1 states each department that receives federal funds must prepare an ICRP. The ICRP should be prepared in accordance with the Office of Management and Budget Circular A-87 and the federal Department of Health and Human Services ASMB C-10.

In the course of its review, OPA did not spend a great deal of time looking at the ICRP, specific calculations, A-87, or ASMB C-10. Rather, the Office focused on evaluating the

appropriateness of the organizational units and staff posted to PCA 99200. Thus, this review primarily consisted of analyzing organizational units, job classifications, and position duties statements.

CAL FIRE *Accounting Procedures Handbook* section 3762.6 provides PCA code descriptions. In particular, CAL FIRE uses PCA 99200, Executive and Administrative Services, to track indirect costs. PCA 99200 is defined in the handbook as follows:

For administrative activities performed by Sacramento Headquarters personnel in the Executive Office, the Board of Forestry, Support Services, and the Training Academy. Administrative activities performed by Regional Headquarters and Ranger Unit personnel, as identified in the indirect cost rate proposal, are also charged here.

Following is a list of the categories CAL FIRE includes when calculating the annual Administrative Rate, including a brief description of what is included within each category. This list comes from a document from the Budget Office entitled, "CAL FIRE Cooperative Agreement Administrative Rate."

- Region and Unit Administration – services such as, but not limited to, indirect costs associated with administrative and operational support provided at the Region and Unit level.
- Headquarters Program Administration – services such as, but not limited to, indirect costs associated with the Cooperative Fire Program, Command and Control Program, Computer Aided Dispatching system, statewide and national Multi-Incident Resource Processing System, Resource Ordering & Status System, and Emergency Activity Reporting System. This category also includes overhead functions that support multiple programs or activities associated with Executive Administration, Board of Forestry, Public Education and Public Affairs
- Business Services – services such as, but not limited to, indirect costs associated with the budgeting, accounting and purchasing functions. Additionally, this category includes functions related to maintenance of property records and inventory and specialized technical expertise in engineering, construction and facility maintenance.
- Information Services – services such as, but not limited to, indirect costs associated with the information technology functions including program and system development, maintenance and technical support, including email accounts and other software licenses.
- Human Resources – services such as, but not limited to, indirect costs associated with employment recruitment, testing, selection and adverse (disciplinary) action processes, payroll systems, employee benefits programs, rehabilitation and disability programs and investigations, return to work functions, Employee Assistance Program, Equal Employment Opportunity program,

collective bargaining, contract administration, grievance/complaint review and processing and Fair Labor Standards Act compliance.

- Training – services such as, but not limited to, indirect costs associate with the administration of CAL FIRE's statewide training programs including curriculum development, operation of the CAL FIRE Academy, and administration of the California Fire Fighter Joint Apprenticeship Committee training program.
- Legal, Law Enforcement and Code Development – services such as, but not limited to, indirect costs associated with legal counsel services, legislative liaison and tracking services, and fire prevention law enforcement program.
- Fleet Management – services such as, but not limited to, indirect costs associated with fleet management, maintenance and repair program and industry liaison services.

In conducting this review, OPA staff obtained an account listing for PCA 99200 from the Budget Office. The account listing provides the positions and job classifications included in the indirect cost calculations.

Staff also obtained and reviewed the definition of PCA 99200 included in the Department's *Accounting Procedures Handbook*, as well as the earlier referenced document from the Budget Office entitled "CAL FIRE Cooperative Agreement Administrative Rate."

OPA staff reviewed the classifications against the criteria included in the definition of 99200, as well as in the "CAL FIRE Cooperative Agreement Administrative Rate" and selected specific positions for further review. These were positions that were either unique to the unit or did not appear to support the Department as a whole. For these positions OPA staff worked with representatives from both regions to obtain copies of duty statements and then reviewed those duty statements to determine whether the assigned duties were appropriate to be included in indirect costs.

OPA staff also obtained and reviewed operating expenditures charged to PCA 99200. Staff reviewed the Budget Report By Index (Q12) report for June 2009 and analyzed the Year-To-Date column for region and unit indexes to determine whether the amounts charged to PCA 99200 were appropriate and consistent.

Findings

With only a few exceptions, the organizational units and positions currently coded to 99200 appear to be appropriate. There are a few positions that do not appear to meet the criteria for inclusion in this PCA and in the administrative rate. Those positions will be detailed below. In addition, this review raised some questions about the criteria for including a position or positions in the PCA.

Following are the detailed findings:

1. In the Sonoma-Lake-Napa Unit (LNU) there are currently two Assistant Chief positions coded to 99200. These are most likely leftover from the mid-1990s consolidation of the Sonoma and Lake-Napa Units. A review of the duties statements for these two positions reveals one to be the unit's Division Chief over Administration, while the other is a Deputy Chief over Operations, which is clearly outside the scope of 99200. None of the other 21 units have operational positions coded to 99200.
2. The Headquarters Fire Protection program has one position, the Assistant Deputy Director over Cooperative Fire, Safety, and Training, coded to 99200. All of the other positions in the Headquarters Fire Protection Program, whether uniformed or not, are coded to PCAs other than 99200. Also, a review of the duties statement of this position indicates that it does not meet the criteria in the "CAL FIRE Cooperative Agreement Administrative Rate" document for inclusion in PCA 99200.
3. The Office of the State Fire Marshal (OSFM) has one position, the Assistant Deputy Director over Fire Engineering and Enforcement, coded to 99200. Although the "CAL FIRE Cooperative Agreement Administrative Rate" does have a category for "Legal, Law Enforcement and Code Development" (which includes indirect costs associated with legal counsel services, legislative liaison and tracking services, and fire prevention law enforcement program), this is the only OSFM position and, in fact, the only law enforcement position statewide coded to 99200.
4. There appears to be an inconsistent application of the criteria for inclusion of positions in PCA 99200. For example, some, but not all, units in both regions have clerical positions coded to 99200. The "CAL FIRE Cooperative Agreement Administrative Rate" includes a category for "Region and Unit Administration," which includes indirect costs associated with administrative and operational support provided at the Region and Unit level, including, but not limited to, the Unit Chief, Administrative Officer, various support positions and related position costs. So, clerical positions could fall into the category of "support positions," but if they do, that criteria does not appear to be applied consistently from unit to unit.

Furthermore, while the unit personnel function appears to be considered a support function, the unit finance function does not, and it is not clear why this distinction exists. While every unit and both regions have their personnel specialist positions coded to 99200, none of the units and neither region code their finance positions (which would appear to be a support function) to this PCA. Instead, finance positions are coded to Ground Attack, PCA 02350.

5. Although most of the positions in the Communications Office are coded to 99200, one position is actually a direct charge to Fire Protection. It is not clear why this is the case, and there is no explanation for the direct charge.
6. Aside from the "CAL FIRE Cooperative Agreement Administrative Rate," which was provided by the Budget Office but is undated and otherwise unattributed, there do not appear to be any formal guidelines currently in place to describe the process to include positions in the Department's indirect cost calculation. OPA's review revealed that there is no real method for assigning positions to or removing positions from 99200.
7. OSFM was merged with CAL FIRE in July 1996. OSFM is considered part of Sacramento Headquarters according to the Index Code Master Guide in the *Accounting Procedures Handbook* Section 3762.3.7. However, none of the OSFM positions are included in the indirect cost calculation. OSFM pays CAL FIRE an overhead rate instead of being included in the Department's indirect cost calculation. The methodology of this decision may need reevaluation for propriety since the merger and in the Department's current business environment.
8. Generally, operating budgets for 99200 for field units are relatively small, which is to be expected, given that these budgets only support a handful of positions in the unit. However, in its review and analysis of the operating expenses charged to PCA 99200 for the two regions and twenty-one units OPA did note the following discrepancies:
 - Index 4600 (San Benito-Monterey Unit) annually charges \$120,000 to PCA 99200 for rent. This is the only index/unit in the Department that charges its rent to PCA 99200. Other units typically use PCA 02351.
 - For all indexes/units, the average amount of expenditures charged to travel object codes was \$4,887, with the exception of the two regions (Indexes 1000 and 4000), which were well above the average at \$31,596.02 and \$68,705.02, respectively. It is not clear without a more in-depth review of the specific charges, whether these expenditures are only supporting positions coded to PCA 99200.

- For all indexes/units, the average amount of expenditures charged to Subsistence and Personal Care was \$3,589, with the exception of both regions and Riverside Unit (Indexes 1000, 4000, and 3100), which were well above the average at \$8,597.08, \$9,733.86 and \$25,108.08, respectively. It is not clear without a more in-depth review of the specific charges, whether these expenditures are only supporting positions coded to PCA 99200.
- For all indexes/units, the average amount of expenditures charged to Communications was \$1,187, with the exception of the Southern Region (Index 4000), which was well above the average at \$20,952.24. The majority of these expenditures were charged as cell phone, PDA, or pager purchases. It is not clear without a more in-depth review of the specific charges, whether these expenditures are only supporting positions coded to PCA 99200.

Recommendations

1. The Deputy Chief over Operations in LNU should be moved out of 99200 and coded to the appropriate PCA for unit operations.
2. The Assistant Deputy Director over Cooperative Fire, Training, and Safety should be moved out of 99200 and coded to the appropriate Fire Protection PCA (probably 99210).
3. The Assistant Deputy Director over Fire Engineering and Enforcement should be moved out of 99200 and coded to the appropriate OSFM PCA.
4. CAL FIRE Management Services should consider revisiting the job classifications included in the indirect cost calculation in their entirety. CAL FIRE has merged with OSFM, the Department has consolidated from four regions to two, and some programs have undergone transformations of some sort since the initial concept, discussion, and eventual identification of job classifications included in the indirect cost calculation.
5. CAL FIRE Management Services should prepare a justification for the direct charge to Fire Protection of the Communications Office position. This justification should be maintained for documentation purposes.
6. CAL FIRE Management Services should develop policy to document the established criteria for including positions in or removing positions from the indirect cost calculation (PCA 99200). This will memorialize the criteria for future employees as staff changes through time.
7. CAL FIRE Management Services should consider developing new policies and procedures. Now is a reasonable time to review what positions are currently included in the indirect cost calculation and review them for propriety and compliance with the newly developed policies and procedures.
8. The San Benito-Monterey Unit should consider moving the \$120,000 budget and expenditures for its rent to a different PCA within its overall budget to be consistent with other units statewide.
9. CAL FIRE's regions and field units should review operating expenditures coded to PCA 99200 to determine the appropriateness of the charges to that PCA. Without adequate justification future charges should be charged to a more appropriate PCA.

Conclusion

While the organizational units and most positions in PCA 99200 appear to be appropriate to be included in the Department's indirect cost calculation, there are some exceptions that should be corrected.

In addition, while most operating expense budgets for PCA 99200 for the regions and field units are relatively small, some operating expenditures may be more appropriately charged to other PCAs within the regions or units.

Finally, CAL FIRE Management needs to review specific Department needs to clearly establish and document the criteria for including a position in the indirect cost calculation.

It should be noted that the Administrative Rate may be increased or reduced depending on whether positions are added or removed from PCA 99200 and whether operating expenses are reduced as a result of this review.

Memorandum

To: Tony Favro, Chief
Office of Program Accountability

Date: December 16, 2009

Telephone: 916-653-7709

Website: www.fire.ca.gov

From: 
Janet Barentson, Deputy Director
Management Services
California Department of Forestry and Fire Protection

Subject: Review of Executive and Administrative Services Included in CAL FIRE Indirect Cost Rate PCA 99200

I have reviewed the Office of Program Accountability's report on the appropriateness of expenditures coded to PCA 99200. Specific comments related to the identified recommendations follow:

Recommendation 1: The Deputy Chief over Operations in LNU should be moved out of 99200 and coded to the appropriate PCA for unit operations.

Response: Concur. The Northern Region indicates (see attached memo) that the coding was misidentified when the position was upgraded on 1999. The Unit is, currently taking steps to appropriately code this position to PCA 02350. The Budget Office will validate in its Position Control Database that this in fact occurs.

Recommendation 2: The Assistant Deputy Director over Cooperative Fire, Training and Safety should be moved out of 99200 and coded to the appropriate Fire Protection PCA.

Response: Concur. The Budget Office will work with Program to recode the position, transfer the funding to the appropriate PCA, and validate its Position Control Database that this in fact occurs.

Recommendation 3: The Assistant Deputy Director over Fire Engineering and Enforcement should be moved out of 99200 and coded to the appropriate OSFM PCA.

Response: Disagree. This position actually provides functional services to all programs, such as providing fire cause investigations, fire cost recovery activities, employee training, employee administrative investigations, etc. I believe this position could be categorized as benefitting all Department programs, and therefore could be considered as a true "overhead" or administrative position, qualifying it for inclusion in PCA 99200.

Recommendation 4: CAL FIRE Management Services should consider revisiting the job classifications included in the indirect cost calculation in their entirety.

Response: Concur. Management Services will convene a working group consisting of the Budget Office and program staff to evaluate the appropriateness of staff at the field level included/excluded from PCA 99200.

Recommendation 5: CAL FIRE Management Services should prepare a justification for the direct charge to Fire Protection of the Communications Office position.

Response: Concur. The Budget Office will work with the Communications Office and Fire Protection to appropriately code and fund this position.

Recommendation 6: CAL FIRE Management Services should develop policy to document the established criteria for including position in or removing position from the indirect cost calculation (PCA 99200).

Response: Concur. The Budget Office will develop appropriate policy.

Recommendation 7: CAL FIRE Management Services should consider developing new policies and procedures.

Response: Concur in part. This recommendation focuses on the administrative functions related to the Office of the State Fire Marshal (OSFM). Both the OSFM and Management Services agree that this issue needs further investigation. However, to the extent that the functions of staff are specific to one program, those staff should not be charged to PCA 99200. As noted in the response provided by the OSFM (attached), a working group is being convened to review OSFM processes, which will include Management Services staff. This recommendation will be addressed as part of that group.

Recommendation 8: The San Benito-Monterey Unit should consider moving the \$120,000 budget and expenditures for its rent to a different PCA within its overall budget to be consistent with other units statewide.

Response: Concur. The funding and expenditures should be moved to PCA 02363, as noted in the response provided by the Southern Region. Region and Budget Office staff should prepare the necessary documentation to effect this change.

Recommendation 9: CAL FIRE's regions and field units should review operating expenditures coded to PCA 99200 to determine the appropriateness of the charges to that PCA.

Response: Concur. Both Regions reviewed charges to PCA 99200, and have determined them to be appropriate. Specific details are included in the individual responses attached.

I would like to offer my appreciation to the Office of Program Accountability for its review of this issue, as it has been a departmental concern for some time. Additionally, I appreciate this opportunity to respond to the recommendations identified as part of this review. If you have any further questions or comments, please let me know.

Attachments

cc: Del Walters, Director
Bill Hoehman, Northern Region Chief
Candace Gregory, Southern Region Chief
Ken Pimlott, Deputy Director, Fire Protection
Tonya Hoover, Acting State Fire Marshal
Ken McLean, Assistant Region Chief
Mikel Martin, Assistant Region Chief
Janet Upton, Deputy Director, Communications Office
Loren Snell, Assistant Deputy Director, Cooperative Fire, Training and Safety
Tom Lutzenberger, Assistant Deputy Director, Management Services
Melissa Gamer, Chief, Budget Office

Memorandum

To: Janet Barentson, Deputy Director
Management Services

Date: October 30, 2009

Telephone: (530) 224-2472

Website: www.fire.ca.gov

From: 
W. E. Hoehman, Region Chief
Department of Forestry and Fire Protection
Northern Region Headquarters - Redding

Subject: 99200 Audit

The Northern Region has received and reviewed the Draft Report prepared by the Office of Program Accountability (OPA) titled: Review of Executive and Administrative Services Included in CAL FIRE Indirect Cost Rate, PCA 99200. This report resulted in three recommendations requiring response from the California Northern Region (CNR).

PCA 99200, Executive and Administrative Services, is used to track indirect costs and the OPA review evaluated the appropriateness of the staffing and operational expenses posted to the PCA.

Recommendation one (1) questioned the appropriateness of the Deputy Chief over Operations in Sonoma Lake Napa Unit (LNU) charged under 99200 and stated the position should be moved out of 99200 and coded to the appropriate Fire Protection PCA.

The Change in Established Positions (Std. 607) with a document No. of 114-035 was processed when the position was upgraded from a Fire Captain to Assistant Chief (sup). It appears this document was approved in December 1998 and identified the PCA for the Assistant Chief (sup) as 99200. However, approximately six months later in June 1999 a revised Std 607 (document # 114-035a) was approved with the PCA corrected to 02350.

The Sonoma Lake Napa Unit will move the Deputy Chief of Operations out of PCA 99200 and into PCA 02350 to align with the approved Std. 607. We are working with the budgets office to confirm the budget loads associated with the position are in alignment with the approved Std. 607. Northern Region Administrative staff will TBA the funds associated with the position to Index 1400, PCA 02350 if in fact they are being loaded into PCA 99200.

Recommendation #10 requests the Region and Field Units should review operating expenditures coded to PCA 99200.

The Region Administrative staff has reviewed the sublevel budgets to assure operating expenditures charged to PCA 99200 are appropriate. In particular we have reviewed the travel object codes and subsistence and personal care object codes.

The personnel coded to 99200 are often required to travel to Sacramento and between Region offices to conduct business. In addition, the Technical Services personnel, coded to PCA 99200 are often traveling to Unit facilities to design or assist with special repairs projects. Many of our facilities are in remote locations with long travel distances requiring personnel to be on travel status.

For FY 09/10 we revised the Region sublevel travel budgets providing separate projects to differentiate between Management Services travel and Operations travel. Only personnel coded to PCA 99200 and other support functions will be charged to the management services travel sublevel budget.

As Region prepares the sublevel budget for Administrative uniform allowances, we total the uniform allowances the employees coded to PCA 99200 are able to claim per their MOU (with receipts if required). The budgeted amount if fully expended is \$19,450 annually. Region sublevel budgets for subsistence and personal care differentiate between Operational and Administrative or support (PCA 99200). This assures that expenditures are appropriate for the PCA being charged.

The units were queried to confirm their 99200 operating expenditures were only for personnel within the 99200 PCA. The response was universal; with minimal operating dollars budgeted they restrict the expenditures coded against the Unit's 99200 PCA. Often appropriate 99200 expenditures are being coded to other operational PCA's.

The Northern Region appreciates the opportunity to comment on the recommendations in the draft report. The report identified some issues of concern and we are moving forward to resolve. We share your concern that expenditures against PCA 99200 should be appropriate, particularly as they relate to the Department's indirect cost calculation.

Should you have any additional questions you may contact Kathleen Schori, Staff Chief of Administration at (707) 576-2960.

Attachment: Copies of approved Std 607's for LNU Assistant Chief (sup)

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WWW.CA.GOV.

STD. 607 (REV. 2/92)	STATE OF CALIFORNIA PAYROLL ROSTER CHANGE CHANGE IN ESTABLISHED POSITIONS	ROUTING SCO
1. ROUTE TO: X SCO Division of Disbursements	2. TYPE OF TRANSACTION <div style="display: flex; justify-content: space-between; font-size: small;"> <div>PROPOSED NEW <input type="checkbox"/> POSITION</div> <div>EXT OF PRESENT <input checked="" type="checkbox"/> POSITION</div> <div>RECLASSIFY <input checked="" type="checkbox"/> POSITION</div> <div>ENCUMBRANCE <input type="checkbox"/> INCREASE</div> <div>ABOLISH <input type="checkbox"/> POSITION</div> <div>DISCUM- <input type="checkbox"/> BRANCE</div> <div>OTHER (SPECIFY <input type="checkbox"/> (IN ITEM 10))</div> </div>	3(a) Fiscal Year 98/99
<input type="checkbox"/> Other (PPSD)		3(b) Document No. 114-035a

ADDITION TO ROSTER				DELETION FROM ROSTER			
4 (a) Effective Date: 10/31/98		4 (b) Expiration Date: Perm		7 (a) Effective Date: 10/30/98		7 (b) Expiration Date: PERM	
5 (a) Department and Organizational Unit Forestry & Fire Protection		(Code No.) 542		8 (a) Department and Organizational Unit Forestry & Fire Protection		(Code No.) 542	
5 (b) Reporting Unit or Function INDEX 1400 Sonoma-Lake-Napa Ranger Unit		114		8 (b) Reporting Unit or Function INDEX 1400 Sonoma-Lake-Napa Ranger Unit		114	
5 (c) Class Title PCA 02350 02350 Assistant Chief (Sup)		1039		8 (c) Class Title PCA 023450 Fire Captain (A)		1095	
5 (d) Number of Positions 1	5 (e) Position Serial Number(s) 001			8 (d) Number of Positions 1	8 (e) Position Serial Number(s) 553		
5 (f) Type of Position (show code no. as indicated): Civil Service - 1 Exempt - 4 Statutory - 7		1		8 (f) Type of Position (show code no. as indicated): Civil Service - 1 Exempt - 4 Statutory - 7		1	
6 (a) Time Basis: Full-Time If part-time specify fraction - /				9 (a) Time Basis: Full-Time If part-time specify fraction - /			
6 (b) Salary Rate: \$4735 per Month				9 (b) Salary Rate: \$3212 per Month			
				9 (d) Present Status: Vacant			
10. Description of Duties, Explanation of Necessity, Reason for Abolishment, etc. (Duties statement unnecessary if Form 613 previously submitted or attached) Reclass to bring in line with assigned duties. Correction to Item 4(a) Effective Date: 11/02/98							

MCR I.

FUNDING INFORMATION	ENCUMBRANCE INCREASES				ENCUMBRANCE DECREASES				
	PROGRAM CATEGORY (CODE & TITLE)		FUND TITLE		PROGRAM/CATEGORY (CODE & TITLE)		FUND TITLE		
	(OPTIONAL USE)				(OPTIONAL USE)				
	ITEM				ITEM				
UNENCUMBERED BALANCES	BEFORE POSTING THIS TRANSACTION	AMOUNT OF ENCUMBRANCE	AFTER POSTING THIS TRANSACTION	BEFORE POSTING THIS TRANSACTION	AMOUNT OF DISCUMBRANCE	AFTER POSTING THIS TRANSACTION	BEFORE POSTING THIS TRANSACTION	AMOUNT OF DISCUMBRANCE	AFTER POSTING THIS TRANSACTION
First Quarter									
Second Quarter									
Third Quarter									
Fourth Quarter									
TOTAL FOR FY									

I hereby certify, upon my own personal knowledge, that the unencumbered balances in the budget allotments as shown hereon are correct. (After attached TBA No.)

12. Certification of Appointing Power The foregoing additions to, deletions from, or changes in the original payroll roster of the herein named state agency are true, correct, and in accordance with the law. As modified to date by payroll roster changes filed with the State Controller, to and including the within, said original payroll roster is true, correct, and in accordance with law. All persons added to the payroll roster, or whose status is modified by the payroll roster change were employed in approved established positions and have, if required by law, taken the oaths, including the oath set forth in Section 3103, Government Code.	13. APPROVED: (for Department of Finance, Budget Division) I hereby certify that all conditions for exemption set forth in S.A.M. Section 6527 have been complied with and this action is exempt from review by the Department of Finance. <div style="text-align: right;"> SIGNATURE OF ACCOUNTING OFFICER DATE 6-4-99 </div>
CONTACT PERSON Mary Gaebe SIGNATURE (FOR CERTIFICATION) 	TELEPHONE NUMBER (916) 653-4750 DATE 06/03/99

STATE OF CALIFORNIA		PAYROLL ROSTER CHANGE		ROUTING 800	
1. ROUTE TO <input type="checkbox"/> Controller, Division of Disbursements <input type="checkbox"/> Other (specify)		CHANGE IN ESTABLISHED POSITIONS		3 (a) Fiscal Year 98/99	
2. Type of Transaction <input type="checkbox"/> PROPOSED NEW POSITION <input type="checkbox"/> EXTENSION OF PRESENT POSITION <input checked="" type="checkbox"/> RECLASSIFICATION OF POSITION <input type="checkbox"/> ENCUMBRANCE INCREASE <input type="checkbox"/> ABOLISHMENT OF POSITION <input type="checkbox"/> DIS-ENCUMBRANCE <input type="checkbox"/> OTHER (DESCRIBE IN ITEM 10)				3 (b) Document No. 114-035	
ADDITION TO ROSTER			DELETION FROM ROSTER		
4 (a) Effective Date 11/2/98		4 (b) Expiration Date Perm		7 (a) Effective Date 10/30/98	
4 (a) Department and Organizational Unit Forestry & Fire Protection		(CODE NO.) 542		7 (b) Disencumber To Perm	
5 (b) Reporting Unit or Function Sonoma-Lake-Napa Ranger Unit		114		8 (a) Department and Organizational Unit Forestry & Fire Protection	
5 (c) Class Title Assistant Chief (Sup) PCA: 99200		1039		(CODE NO.) 542	
5 (d) Number of Positions 1		5 (e) Position Serial Number(s) (use code col.) 001		8 (b) Reporting Unit or Function Sonoma-Lake-Napa Ranger Unit	
8 (f) Type of Position (show code no. as indicated): Civil Service—1 Exempt—4 Statutory—7 1				8 (c) Class Title Fire Captain (A) PCA: 99200	
6 (a) Time FULL-TIME PART-TIME INTERMITTENT INDETERMINATE Basis <input checked="" type="checkbox"/> FRACTION: <input type="checkbox"/> <input type="checkbox"/>				8 (d) Number of Positions 1	
6 (b) Salary Rate \$ 4735 per MONTH DAY HOUR <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>				8 (e) Position Serial Number(s) (use code col.) 553	
				8 (f) Type of Position (show code no. as indicated): Civil Service—1 Exempt—4 Statutory—7 1	
				9 (a) Time FULL-TIME PART-TIME INTERMITTENT INDETERMINATE Basis <input checked="" type="checkbox"/> FRACTION: <input type="checkbox"/> <input type="checkbox"/>	
				9 (b) Salary Rate \$ 3212 per MONTH DAY HOUR <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
				9 (d) Present Status <input checked="" type="checkbox"/> VACANT <input type="checkbox"/> FILLED <input type="checkbox"/> EMPLOYEE'S STATUS CHANGED BY FORM DOC. NO.	
FOR CONTROLLER'S USE		BUDGET FUNCTIONS (Unit)		BUDGET FUNCTIONS (Unit)	
DOCK TYPE		CLASS CODES		CLASS CODES	
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80		C. No. 1 No. 2 No. 3 No. 4 No. 5 No. 6 No. 7 No. 8 No. 9 No. 10 No. 11 No. 12 No. 13 No. 14 No. 15 No. 16 No. 17 No. 18 No. 19 No. 20 No. 21 No. 22 No. 23 No. 24 No. 25 No. 26 No. 27 No. 28 No. 29 No. 30 No. 31 No. 32 No. 33 No. 34 No. 35 No. 36 No. 37 No. 38 No. 39 No. 40 No. 41 No. 42 No. 43 No. 44 No. 45 No. 46 No. 47 No. 48 No. 49 No. 50 No. 51 No. 52 No. 53 No. 54 No. 55 No. 56 No. 57 No. 58 No. 59 No. 60 No. 61 No. 62 No. 63 No. 64 No. 65 No. 66 No. 67 No. 68 No. 69 No. 70 No. 71 No. 72 No. 73 No. 74 No. 75 No. 76 No. 77 No. 78 No. 79 No. 80		C. No. 1 No. 2 No. 3 No. 4 No. 5 No. 6 No. 7 No. 8 No. 9 No. 10 No. 11 No. 12 No. 13 No. 14 No. 15 No. 16 No. 17 No. 18 No. 19 No. 20 No. 21 No. 22 No. 23 No. 24 No. 25 No. 26 No. 27 No. 28 No. 29 No. 30 No. 31 No. 32 No. 33 No. 34 No. 35 No. 36 No. 37 No. 38 No. 39 No. 40 No. 41 No. 42 No. 43 No. 44 No. 45 No. 46 No. 47 No. 48 No. 49 No. 50 No. 51 No. 52 No. 53 No. 54 No. 55 No. 56 No. 57 No. 58 No. 59 No. 60 No. 61 No. 62 No. 63 No. 64 No. 65 No. 66 No. 67 No. 68 No. 69 No. 70 No. 71 No. 72 No. 73 No. 74 No. 75 No. 76 No. 77 No. 78 No. 79 No. 80	
608					
10. Description of Duties, Explanation of Necessity, Reason for Abolishment, etc. (Duties statement unnecessary if Form 613 previously submitted or attached)					
Reclass to bring in line with assigned duties.					
11. ENCUMBRANCE INCREASES					
PROGRAM/CATEGORY (CODE AND TITLE)		FUND TITLE		ENCUMBRANCE DECREASES	
(OPTIONAL USE)				(OPTIONAL USE)	
ITEM				ITEM	
UNENCUMBERED BALANCE:		BEFORE POSTING THIS TRANSACTION		AFTER POSTING THIS TRANSACTION	
First Quarter					
Second Quarter					
Third Quarter					
Fourth Quarter					
Total For Fiscal Year					
I hereby certify, upon my own personal knowledge, that the unencumbered balances in the budget allotments as shown hereon are correct. (After attached TBA No.)					
12. Certification For The Appointing Power The foregoing additions to, deletions from, or changes in the original payroll roster of the herein named state agency are true, correct, and in accordance with law. As modified to date by payroll roster changes filed with the State Controller, to and including the within, said original payroll roster is true, correct, and in accordance with law. All persons added to the payroll roster, or whose status is modified by this payroll roster change were employed in approved established positions and have, if required by law, taken the oath, including the oath set forth in Section 3103, Government Code. Cathy Casheros 707 576-2929 11/2/98					
13. APPROVED: (for Department of Finance, Budget Division) SECTION 6527 have been complied with and this action is exempt from review by the Department of Finance. Jana Rissler 12/6/98 DATE SIGNATURE FOR CERTIFICATION 12-9-98					

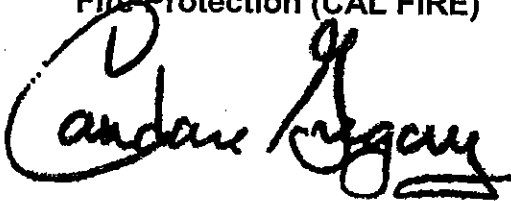
Memorandum

To: TONY FAVRO
Chief Program Accountability
California Department of Forestry and
Fire Protection (CAL FIRE)

Date: September 30, 2009
A1

Telephone: (559) 243-4120
Fax: (559) 222-3409

Website: www.fire.ca.gov



From: CANDACE GREGORY
Southern Region Chief
California Department of Forestry and Fire Protection (CAL-FIRE)

Subject: Review of PCA 99200 – Draft Report

The Southern Region has received and examined the Draft Review of PCA 99200. The comments provided herein are largely limited to issues relative to the Southern Region with one exception, the funding of Unit Finance Functions. Some of the issues identified in the draft report will require more in depth research and on-going tracking, in order to respond fully and accurately. That research is in process.

Unit Finance Functions, (Section 4):

The report indicates that "there appears to be an inconsistent application of the criteria for inclusion of positions in PCA 99200." This section speaks specifically of clerical positions, funded by PCA 99200, which are not clearly identified as consistent from Unit to Unit. Further in this section it is identified that while every unit has their personnel function coded to PCA 99200, none of the units have their finance function coded to this PCA. The report further states that the finance function appears to fit into the category of a 'support function' for purposes of funding from PCA 99200. One consideration is that the department funds both the unit personnel and finance functions from PCA 99200, and fund the miscellaneous clerical positions from other PCAs. This change may eliminate inconsistencies in the funding of clerical positions.

Operating Budgets, (Section 8):

Index 4600 (San Benito-Monterey Unit) annually charges \$120,000 to PCA 99200 for rent. The rental of this facility, from Department of Parks and Recreation, began July 1, 2003. Research has shown that our Department Budget Office agreed to fund this rental from excess 99200 monies. Those monies have been loaded into the Index 4600 budget since that time in PCA 99200.

I agree that there is a suitable PCA for these funds, and would recommend these funds being loaded to Index 4600, PCA 02363. As Sacramento originally agreed to fund this expense, it is appropriate that this practice continue. The Unit would not be able to absorb an increase of this amount, in operating costs, without the funding from Sacramento.

The report indicates that there is an above average expenditure in Travel Expense Object Codes charged to PCA 99200 in Index 4000. Staff has reviewed these expenditures and concludes that these charges are supporting positions coded to PCA 99200. The personnel in Index 4000, funded by PCA 99200, are the individuals who incur the greatest amount of travel expenses. By the nature of the positions, and the travel distances between the two Region Offices and Sacramento Headquarters, the travel expenses are significantly greater than those which would be found in PCA 99200 funded positions at the unit level. The Southern Region will continue to monitor travel expenses charged to PCA 99200.

The draft report also identified significantly greater expenses in 'Subsistence and Personal Care' for Index 4000 and 3100, and in 'Communications' for Index 4000. The Southern Region is in the process of examining these issues more closely, to determine the appropriateness of the charges. Additionally, staff will closely monitor charges to PCA 99200, within this object code.

In summary, I appreciate the opportunity to review and comment on this draft report. The report has identified areas of concern to the Management Services function in the Southern Region. Staff will monitor these areas in an effort to ensure that charges to PCA 99200 are justifiable and appropriate.

Thank you.

CG/SC/ckj

Attachment

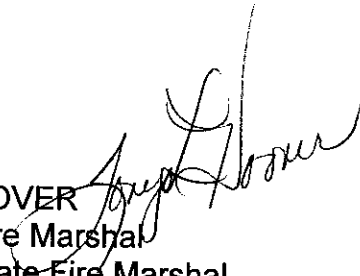
Memorandum

To: JANET BARENTSON
Deputy Director
Management Services

Date: September 22, 2009

Telephone: (916) 445-8200

Website: www.fire.ca.gov

From: TONYA L. HOOVER 
Acting State Fire Marshal
Office of the State Fire Marshal
California Department of Forestry and Fire Protection (CAL FIRE)

Subject: Response to Review of 99200 – Draft Report

Thank you for the opportunity to review and address the draft report of PCA 99200. We wish to submit the following comments/responses relative to findings directly related to the Office of the State Fire Marshal (OSFM):

Finding #3 – “The Office of the State Fire Marshal (OSFM) has one position, the Assistant Deputy Director over Fire Engineering and Enforcement, coded to 99200. Although ‘CAL FIRE Cooperative Agreement Administrative Rate’ does have a category for ‘Legal, Law Enforcement and Code Development’ (which includes indirect costs associated with legal counsel services, legislative liaison and tracking services, and fire prevention law enforcement program), this is the only OSFM position and, in fact, the only law enforcement position statewide coded to 99200.”

Response – The position referenced in the finding has responsibility for the department-wide oversight of the law enforcement program. This includes approval of related policies and procedures, implementation and oversight of the training of CAL FIRE and OSFM Peace Officers, review of officer's actions for compliance, and representing the Director and State Fire Marshal in Law Enforcement matters before the Legislature and/or Governor. This position also has statewide responsibility for Fire Prevention policy recommendations and implementation primarily for the wildland urban interface and defensible space programs. The position also works closely with the Department's Legislative Staff to suggest, author, and analyze legislation supportive of or impacting the Department's Mission on a statewide basis.

Finding #7 – “OSFM was merged with CAL FIRE in July 1996. OSFM is considered part of Sacramento Headquarters according to the Index Code Master Guide in the Accounting Procedures Handbook Section 3762.3.7. However, none of the OSFM positions are included in the indirect cost calculation. OSFM pays CAL FIRE an overhead rate instead of being included in the department’s indirect cost calculation. The methodology of this decision may need reevaluation for propriety since the merger and in the Department’s current business environment.

Response – I concur with this finding. The OSFM currently pays a separate administrative rate to CAL FIRE, in addition to applying the administrative rate to all receivable agreements and grants where the OSFM provides goods or services to other entities. The OSFM incurring dual overhead rates and not being fully integrated under the Department’s indirect costs has been a dilemma, and we feel this is a priority to fix so as to be more cost efficient and ensure we are charging appropriate fees/costs to our customers. We are certain that OSFM staffing should be included in the calculation of the indirect cost, as there are administrative positions that do meet the criteria. Therefore, we strongly agree that further examination of specific positions should be conducted to determine their appropriateness to include in the Department’s indirect cost calculations. Note: The OSFM is in the process of coordinating a task group to address the various OSFM billing, overhead, and other budgetary and accounting processes. Since this task group will include Departmental Budget and Accounting staff along with OSFM administrative and program staff, with your approval, we will ask that they include this issue in their discussions and provide recommendations.

If you have any questions or need further clarification of the responses to the findings listed above, please contact Christy Owen, OSFM Administrative Manager at (916) 445-8217 or email christy.owen@fire.ca.gov. Again, thank you for the opportunity to provide input to this review.